

STAFFORD PAULSWORTH MCGOWAN LLC

CERTIFIED PUBLIC ACCOUNTANTS

736 LOWER STATE ROAD, BUILDING B
NORTH WALES, PA 19454

PHONE 215.646.2600 FAX 215.646.7001
TAX@STAFFPAULCPA.COM | WWW.STAFFPAULCPA.COM

INCOME TAXES

2023			
If Taxable Income Is:			
	But Not More Than	The Tax Is	Of the Amount Over
Over			
Married Filing Jointly:			
\$0	\$22,000	\$0 + 10%	\$0
22,000	89,450	2,200.00 + 12%	22,000
89,450	190,750	10,294.00 + 22%	89,450
190,750	364,200	32,580.00 + 24%	190,750
364,200	462,500	74,208.00 + 32%	364,200
462,500	693,750	105,664.00 + 35%	462,500
693,750		186,601.50 + 37%	693,750
Married Filing Separately:			
\$0	\$11,000	\$0 + 10%	\$0
11,000	44,725	1,100.00 + 12%	11,000
44,725	95,375	5,147.00 + 22%	44,725
95,375	182,100	16,290.00 + 24%	95,375
182,100	231,250	37,104.00 + 32%	182,100
231,250	346,875	52,832.00 + 35%	231,250
346,875		93,300.75 + 37%	346,875
Head of Household:			
\$0	\$15,700	\$0 + 10%	\$0
15,700	59,850	1,570.00 + 12%	15,700
59,850	95,350	6,868.00 + 22%	59,850
95,350	182,100	14,678.00 + 24%	95,350
182,100	231,250	35,498.00 + 32%	182,100
231,250	578,100	51,226.00 + 35%	231,250
578,100		172,623.50 + 37%	578,100
Single:			
\$0	\$11,000	\$0 + 10%	\$0
11,000	44,725	1,100.00 + 12%	11,000
44,725	95,375	5,147.00 + 22%	44,725
95,375	182,100	16,290.00 + 24%	95,375
182,100	231,250	37,104.00 + 32%	182,100
231,250	578,125	52,832.00 + 35%	231,250
578,125		174,238.25 + 37%	578,125
Estate and Trusts:			
\$0	\$2,900	\$0 + 10%	\$0
2,900	10,550	290.00 + 24%	2,900
10,550	14,450	2,126.00 + 35%	10,550
14,450		3,491.00 + 37%	14,450

2024			
If Taxable Income Is:			
	But Not More Than	The Tax Is	Of the Amount Over
Over			
Married Filing Jointly:			
\$0	\$23,200	\$0 + 10%	\$0
23,200	94,300	2,320.00 + 12%	23,200
94,300	201,050	10,852.00 + 22%	94,300
201,050	383,900	34,337.00 + 24%	201,050
383,900	487,450	78,221.00 + 32%	383,900
487,450	731,200	111,357.00 + 35%	487,450
731,200		196,669.50 + 37%	731,200
Married Filing Separately:			
\$0	\$11,600	\$0 + 10%	\$0
11,600	47,150	1,160.00 + 12%	11,600
47,150	100,525	5,426.00 + 22%	47,150
100,525	191,950	17,168.50 + 24%	100,525
191,950	243,725	39,110.50 + 32%	191,950
243,725	365,600	55,678.50 + 35%	243,725
365,600		98,334.75 + 37%	365,600
Head of Household:			
\$0	\$16,550	\$0 + 10%	\$0
16,550	63,100	1,655.00 + 12%	16,550
63,100	100,500	7,241.00 + 22%	63,100
100,500	191,950	15,469.00 + 24%	100,500
191,950	243,700	37,417.00 + 32%	191,950
243,700	609,350	53,977.00 + 35%	243,700
609,350		181,954.50 + 37%	609,350
Single:			
\$0	\$11,600	\$0 + 10%	\$0
11,600	47,150	1,160.00 + 12%	11,600
47,150	100,525	5,426.00 + 22%	47,150
100,525	191,950	17,168.50 + 24%	100,525
191,950	243,725	39,110.50 + 32%	191,950
243,725	609,350	55,678.50 + 35%	243,725
609,350		183,647.25 + 37%	609,350
Estate and Trusts:			
\$0	\$3,100	\$0 + 10%	\$0
3,100	11,150	310.00 + 24%	3,100
11,150	15,200	2,242.00 + 35%	11,150
15,200		3,659.50 + 37%	15,200

EDUCATION INCENTIVES

Tuition Deduction – “Above-the-line” deduction for qualified tuition and related expenses repealed for tax years after 2020.
Student Loan Interest Deduction – “Above-the-line” deduction up to \$2,500 (2023 and 2024); no time limit on deductibility period; subject to income limitations.
Education Credits – American Opportunity Credit is up to \$2,500 in 2023 and 2024 per student for first four years of higher education expenses paid. Lifetime Learning Credit is 20% of tuition paid up to \$2,000 per return for 2023 and 2024. Both credits are subject to income limitations and cannot be used in conjunction with each other for the same student.
Section 529 Plans (Qualified Tuition Programs) – Distributions used for qualified higher education expenses are income tax free. Contributions are potentially subject to gift tax, but are eligible for the per-donee annual exclusion (\$17,000 for 2023; \$18,000 for 2024). Donor can elect to treat up to \$85,000 of the contribution in 2023 (\$90,000 in 2024) as if it had been made ratably over a 5-year period.
Coverdell Education Savings Accounts (Education IRAs) – Contribution limit is \$2,000 in 2023 and 2024; subject to income limitations.

OTHER TAX RATES

Long-Term Capital Gains and Qualified Dividends Tax Rates for Taxpayers with Taxable Income in the Specified Ranges*			
2023	0%	15%	20%
MFJ/SS	\$0 - \$89,250	\$89,251 - \$553,850	over \$553,850
MFS	\$0 - \$44,625	\$44,626 - \$276,900	over \$276,900
HoH	\$0 - \$59,750	\$59,751 - \$523,050	over \$523,050
Single	\$0 - \$44,625	\$44,626 - \$492,300	over \$492,300
E&T	\$0 - \$3,000	\$3,001 - \$14,650	over \$14,650
2024	0%	15%	20%
MFJ/SS	\$0 - \$94,050	\$94,051 - \$583,750	over \$583,750
MFS	\$0 - \$47,025	\$47,026 - \$291,850	over \$291,850
HoH	\$0 - \$63,000	\$63,001 - \$551,350	over \$551,350
Single	\$0 - \$47,025	\$47,026 - \$518,900	over \$518,900
E&T	\$0 - \$3,150	\$3,151 - \$15,450	over \$15,450

* Short-term gain taxed at ordinary rates.

* Additional 3.8% tax imposed on the lesser of the individual's Net Investment Income or the excess of the individual's MAGI over certain thresholds (\$250,000 for married couples filing jointly or surviving spouse, \$125,000 for married couples filing separately, and \$200,000 for all other taxpayers).

Kiddie Tax

- Under age 19 (or certain full-time students under age 24) with unearned income consisting solely of interest, dividends and CGD; and child's gross income is less than \$12,500 in 2023 or \$13,000 in 2024 – use Form 8814 with parent's return.
- If child files own return – use Form 8615 with child's return to calculate tax at parent's marginal rate.

2023	2024
First	\$1,250 \$1,300 No Tax
Next	\$1,250 \$1,300 Taxed at child's marginal rate
Amount Over	\$2,500 \$2,600 Taxed at parent's marginal rate

AMT Rates for Individuals

	AMTI Threshold		AMT Rate	
	2023	2024		
Single, MFJ, HoH	\$0 - \$220,700	\$0 - \$232,600	26%	
	\$220,701 or more	\$232,601 or more	28%	
MFS	\$0 - \$110,350	\$0 - \$116,300	26%	
	\$110,351 or more	\$116,301 or more	28%	
AMT Exemption		AMT Exemption		
2023	2024	2023	2024	
Single, HoH	\$81,300	\$85,700		
MFJ, SS	\$126,500	\$133,300		
MFS	\$63,250	\$66,650		

SOCIAL SECURITY

Maximum Compensation Subject to FICA			
		2023	2024
OASDI Maximum		\$160,200	\$168,600
HI Maximum		No Limit	No Limit
• OASDI tax rate – 2023 & 2024: 12.4% self-employed, 6.2% employees			
• HI tax rate* – 2023 & 2024: 2.9% self-employed, 1.45% employees			
* Additional 0.9% tax imposed on employment wages for certain higher-income taxpayers (income of more than \$250,000 for married couples filing jointly or surviving spouse, \$125,000 for married couples filing separately, and \$200,000 for all other taxpayers)			
Maximum Amount of Earnings to Still Receive Full Benefits			
		2023	2024
Under full retirement age		\$21,240	\$22,320
MAGI Amounts for Benefits to Be Taxable			
		50% Taxable	85% Taxable
Married Filing Jointly		\$32,000	\$44,000
Single, HOH, MFS Living Apart		\$25,000	\$34,000

DEDUCTIONS

Standard Deduction			
	Year	Annual	Add'l Age 65 or Older or Blind
Married Filing Jointly/ Surviving Spouse	2023	\$27,700	\$1,500
	2024	\$29,200	\$1,550
Married Filing Separately	2023	\$13,850	\$1,500
	2024	\$14,600	\$1,550
Head of Household	2023	\$20,800	\$1,850
	2024	\$21,900	\$1,950
Single	2023	\$13,850	\$1,850
	2024	\$14,600	\$1,950

Phaseout of Itemized Deductions Does Not Apply in 2023 or 2024			
Code Sec. 179 Expense Allowance			
	2023	2024	
Dollar limitation	\$1,160,000	\$1,220,000	
Investment limitation	\$2,890,000	\$3,050,000	

Qualified Business Income Deduction Phase-In Thresholds			
Taxable Income Phase-In			
	2023	2024	
MFJ	\$364,200 - \$464,200	\$383,900 - \$483,900	
MFS	\$182,100 - \$232,100	\$191,950 - \$241,950	
All Others	\$182,100 - \$232,100	\$191,950 - \$241,950	

ESTATE & GIFT TAXES

	2023	2024
Annual Gift Tax Exclusion	\$17,000	\$18,000
for Noncitizen Spouses	\$175,000	\$185,000
Estate Tax Exclusion	\$12,920,000	\$13,610,000
Applicable Credit	\$5,113,800	\$5,389,800
Gift Tax Exclusion	\$12,920,000	\$13,610,000
Generation-Skipping Transfer Tax Exemption	\$12,920,000	\$13,610,000

CREDITS & EXCLUSIONS

Child Tax Credit			
	2023	2024	
Credit Amount	\$2,000	\$2,000	
Refundable Amount	\$1,600	\$1,700	
\$2,000 credit amount for 2023 and 2024 phases out \$50 for every \$1,000 AGI over \$400,000 (MFJ), \$200,000 (all others)			
Foreign Income			
	2023	2024	
Foreign earned income exclusion	\$120,000	\$126,500	
Maximum foreign housing exclusion of qualified housing expenses	\$16,800 (\$36,000 - \$19,200)	\$17,710 (\$37,950 - \$20,240)	

INDIVIDUAL ESTIMATED TAXES

Individuals can base federal estimated tax payments on:
1) 90% of current tax,
2) 100% of prior year's tax, or
3) 110% of prior year's tax if prior year's AGI is > \$150,000 (> \$75,000 for Married Filing Separately)
• Annualization exception
• No penalty if tax less withholding < \$1,000 or no tax liability in preceding tax year

IRAs

Contribution Limits - Traditional and Roth			
	2023	2024	
Regular	\$6,500	\$7,000	
Catch-up*	\$1,000	\$1,000	
<i>*Individuals who will be at least age 50 by the end of the year can make catch-up contributions.</i>			
Roth IRAs			
	2023	2024	
MAGI Phaseout Ranges for Contributions to Roth IRAs			
	2023	2024	
Married Filing Jointly	\$218,000 - \$228,000	\$230,000 - \$240,000	
Single, Head of Household	\$138,000 - \$153,000	\$146,000 - \$161,000	
Married Filing Separately	\$0 - \$10,000	\$0 - \$10,000	
Traditional IRA Deductibility Rules			
	Modified AGI		
Filing Status	Covered by Qualified Retirement Plan?	2023	2024
Single, HoH	No	Any amount	Any amount
	Yes	\$73,000 or less \$73,001 - \$82,999 \$83,000 or more	\$77,000 or less \$77,001 - \$86,999 \$87,000 or more
Married Filing Jointly	Neither spouse	Any amount	Any amount
	Both spouses covered	\$116,000 or less \$116,001 - \$135,999 \$136,000 or more	\$123,000 or less \$123,001 - \$142,999 \$143,000 or more
	One spouse covered: for covered spouse	\$116,000 or less \$116,001 - \$135,999 \$136,000 or more	\$123,000 or less \$123,001 - \$142,999 \$143,000 or more
	One spouse covered: for non-covered spouse	\$218,000 or less \$218,001 - \$227,999 \$228,000 or more	\$230,000 or less \$230,001 - \$239,999 \$240,000 or more
Married Filing Separately*	Neither spouse	Any amount	Any amount
	Either spouse	\$9,999 or less \$10,000 or more	\$9,999 or less \$10,000 or more

*Shared residence

QUALIFIED PLANS

	2023	2024
Maximum elective deferral to retirement plans [e.g., 401(k), 403(b), 457]	\$22,500	\$23,000
Maximum elective deferral to starter 401(k) plan	N/A	\$6,000
Maximum elective deferral to pension-linked emergency savings account	N/A	\$2,500
Maximum elective deferral to SIMPLE IRAs*	\$15,500	\$16,000
Maximum uniform non-elective contribution to SIMPLE plans	N/A	\$5,000
Limit on annual additions to defined contribution plans or SEPs	\$66,000	\$69,000
Maximum annual compensation taken into account for contributions	\$330,000	\$345,000
Annual benefit limit under defined benefit plans	\$265,000	\$275,000
Threshold amount for definition of highly compensated employee	\$150,000	\$155,000
Threshold amount for definition of key employee in top-heavy plans	\$215,000	\$220,000
Catch-up Contribution Limits**		
401(k), 403(b), SARSEP and 457 plans	\$7,500	\$7,500
SIMPLE IRAs*	\$3,500	\$3,500
Starter 401(k)	N/A	\$1,000
* After 2023, limitation amount increased by 10% for certain smaller SIMPLE plans or employers meeting contribution/matching requirements.		
** Individuals who will be at least age 50 by the end of the year can make catch-up contributions. After 2025, catch-up contributions for employees with compensation exceeding \$145,000 (as adjusted for inflation) must be to a Roth account.		